



WEEKLY LEGISLATIVE REPORT

March 20, 2009

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Please route to all interested parties in your township.

PROPERTY TAX CONSTITUTIONAL AMENDMENT MOVES TO THE HOUSE

The Michigan Senate approved SJR H this week, a proposal to further reduce property tax revenue during periods of declining property values, despite efforts of local governments and schools to halt the proposal. The first effort to pass the resolution failed by two votes; however, later that day, the governor showed some interest in the proposal as part of a larger tax plan. The next day, several Senate Democrats switched their votes after reading the comments of the governor. The proposal would amend the state's constitution so that taxable value could not increase on a parcel of property when its state equalized value is falling. The Senate Fiscal Agency estimated the revenue loss of the proposal for 2010, if implemented, at \$175 million to local units of government and \$75 million to schools; this on top of the already plummeting property tax revenue projections for next year. The proposal now goes to the House for consideration. If the House adopts the resolution with a two-thirds majority, it would then go to the voters on the November 2010 ballot for final approval.

HOUSE ONCE AGAIN APPROVES A FAULTY CABLE DISPUTE RESOLUTION BILL

The Michigan House for the second time in three weeks approved a cable dispute resolution bill that favors cable providers over local governments before the Michigan Public Service Commission. On Wednesday, the House approved SB 190, sponsored by Sen. Buzz Thomas (D-Detroit). The bill is almost identical to HB 4247, which is now before the Senate. MTA and MML attempted to make improvements to the bill by offering various amendments in both the House and Senate. None of these changes gained approval. Most of these efforts focused on revising language in the legislation that favors cable companies that have much deeper pockets for legal expenses than local governments. It is likely the Senate will quickly concur with the House-approved version of SB 190, which would send the bill to the governor for approval. MTA believes that the dispute resolution process being created in SB 190 is flawed and will not achieve its intended goal of encouraging parties to use the dispute resolution process in lieu of filing in circuit court.

HOUSE APPROVES INITIAL TRANSPORTATION PROJECTS TO UTILIZE STIMULUS DOLLARS

On Wednesday, the House passed a supplemental appropriations bill to move forward approximately 130 road projects that will be paid for with federal stimulus dollars from the American Recovery and Reinvestment Act. The spending plan includes \$635 million for state roads and bridges, and provides approximately \$212 million for county road and bridge construction projects. The bill also provides funding for urban and rural bus services. The action is important in that 50 percent of the economy recovery funding must be obligated within 120 days. An estimated 25,000 jobs are expected to be either maintained or created across the state through the road funding. The bill now needs action by the Senate before being signed by the governor.

GOVERNOR GRANHOLM CONDUCTS CONFERENCE CALL WITH MTA LEADERSHIP

Gov. Jennifer Granholm conducted a conference call this week with members of the MTA Board of Directors. The purpose of the call was to give an update on the federal stimulus package, officially known as the American Recovery and Reinvestment Act (ARRA), and to discuss the competitive grant process for funding under ARRA. Virtually all of the federal funding provided under ARRA will go through existing programs or formulas. However, a significant portion of that money will be made available through a competitive grant process with quality projects that rise to the top receiving grants. Many of the guidelines for the competitive grants are still being established by the federal government; however, some information is already known. The latest information on the competitive grant process is available at the governor's Web site at www.michigan.gov/recovery or at www.michigantownships.org. MTA wishes to thank the governor for taking the time out of her busy schedule to talk with MTA Board members.

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